

# Montana Performance Review Report FY 2019

**Commendations**  
**1**

**Met Requirements**  
**23**

**Recommendations**  
**2**

**Action Required**  
**9**

**February 18, 2020**



U.S. Department of Education  
Office of Elementary and Secondary Education  
400 Maryland Avenue, SW  
Washington, DC 20202

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## **GENERAL INFORMATION**

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### **OVERVIEW OF THE PERFORMANCE REVIEW**

The Office of Elementary and Secondary Education (OESE) established the performance review process to conduct oversight of and provide assistance to State educational agencies (SEAs) as they administer K-12 formula grant programs. The goals of the performance review process are to conduct a State-centered, performance-focused review of key programs through a single, streamlined process that results in improved and strengthened partnerships between the Department and States, and encourages States to develop and effectively implement integrated and coherent consolidated State plans. To accomplish these goals, the performance review process is organized by areas, which reflect the programmatic and fiscal requirements.

This Performance Review Report summarizes the findings from the review of the Montana Office of Public Instruction (OPI) that occurred on October 28-31, 2019. The review covered:

- Title I, Part A of the ESEA, Improving Basic Programs Operated by Local Educational Agencies (LEAs)
- Title I, Part B of the ESEA, State Assessment Grants
- Title II, Part A of the ESEA, Teacher Quality State Grants
- Title III, Part A of the ESEA, the State Formula Grant Program for English Language Acquisition and Language Enhancement
- Title V, Part B, Subpart 2 of the ESEA, Rural Low-Income Schools

The report is based on information provided through the review process, and other relevant qualitative and quantitative data. The primary goal of this review was to ensure that implementation of the programs is consistent with the fiscal, administrative, and program requirements contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance: 2 Code of Federal Regulations (CFR) Part 200), the Education Department General Administrative Requirements (EDGAR), and the Elementary and Secondary Education Act (ESEA), as amended by the Every Student Succeeds Act (ESSA). The review addressed the administration of fiscal and programmatic components of all programs through two domains: (1) financial management and cross-cutting requirements and (2) program-specific requirements.

### **NAVIGATING THE PERFORMANCE REVIEW REPORT**

This report contains five sections. Section I contains a snapshot of information pertinent to the grant activities for the respective State. Section II is a summary of the State's performance on each indicator reviewed for each covered program. For each indicator, the Department assigns one of four ratings. "Met requirements with commendation" represents high-quality implementation where the grantee is exceeding expectations; "met requirements" indicates that work is of an acceptable quality and the grantee is meeting expectations; "met requirements with recommendations" indicates there are quality implementation concerns and some improvements could be made to ensure the grantee continues to meet expectations; and "action required" indicates there are significant compliance or quality concerns that require urgent attention by the SEA and will be revisited until the State has remedied the issue.

Section III identifies those areas where the Department has significant compliance and quality concerns and for which corrective action is required. For those issues, the report outlines the current practice, the nature of noncompliance, and the required action.

Section IV identifies those areas where the Department has quality implementation concerns related to grant administration and fiscal management (*i.e.*, those areas categorized as quality concerns, “met requirements with recommendations”). In these instances, the Department is determining that the State is currently complying with requirements, but that improvements could be made to improve the efficiency or effectiveness of operations. Identified issues are grouped according to relevant area and requirement, with citations provided. For each issue listed, the Department will provide a recommendation for improvement, but is not requiring the State to take any further action.

Section V highlights the areas where the State has exceeded requirements and is commended on the grant administration and fiscal management (*i.e.*, those areas categorized as “met requirements with commendation”). In addition, this section provides an opportunity for the OSS to highlight those areas where the State has implemented an innovative or highly successful system or approach. In these areas, the Department is not recommending or requiring the State to take any further action.

## SECTION I

### Overview of Visit



#### COVERED GRANT PROGRAMS OF THIS REVIEW

Title I, Part A; Title I, Part B; Title II, Part A; Title III, Part A; Title V, Part B, Subpart 2



#### FEDERAL FUNDING<sup>1</sup>

Title I, Part A:	\$48,946,461
Title I, Part B:	\$3,646,545
Title II, Part A:	\$9,857,080
Title III, Part A:	\$500,000
Title V, Part B, Subpart 2:	\$798,576

#### Dates of Review

October 28-31, 2019

#### ED Reviewers

Faatimah Muhammad (Office of School Support and Accountability)  
 Brenda Calderon (Office of School Support and Accountability)  
 Shane Morrissey (Management Support Office)  
 Leslie Poynter (Office of School Support and Accountability)  
 Victoria Rosenboom (Office of School Support and Accountability)  
 Daniel Schreier (Management Support Office)  
 Todd Stephenson (Office of School Support and Accountability)  
 Bryan Thurmond (Office of School Support and Accountability)

#### LEAs Participating in the Monitoring Visit

Butte School District No. 1  
 East Helena Public Schools District No. 9

#### Current Grant Conditions

Title I, Part A:	OPI must demonstrate that its standards and assessment system meets all requirements in the ESEA <sup>2</sup>
Title I, Part B:	None
Title II, Part A:	None
Title III, Part A:	None
Title V, Part B, Subpart 2:	None

<sup>1</sup> FY 2019 funds included above (<https://www2.ed.gov/about/overview/budget/statetables/index.html>) are from OESE administered programs that allocate funds to States using a statutory formula. The totals do not reflect all Department funds that flow to a State. States and other entities may also receive funds from grants that are awarded on a competitive basis.

<sup>2</sup> The condition is available at: <https://www2.ed.gov/admins/lead/account/nclbfinalassess/mt7.pdf>.

## SECTION II

# Summary Status of Fiscal & Program Monitoring Indicators

### STATUS KEY



**Met requirements  
with commendation**

High quality  
implementation &  
compliance



**Met requirements**

Satisfactory  
implementation &  
compliance



**Met requirements with  
recommendation**

Satisfactory compliance  
with quality concerns



**Action required**

Significant  
compliance &  
quality concerns

### FINANCIAL MANAGEMENT & CROSS CUTTING

Topic <sup>3</sup>	Status
Accounting Systems and Fiscal Controls	● ● ● ● ○
Period of Availability and Carryover	● ● ● ● ○
Internal Controls	● ● ● ● ○
Audit Requirements	● ○ ○ ○ ○
Records and Information Management	● ● ● ● ○
Equipment and Supplies Management	● ● ● ● ○
Personnel	● ● ● ○ ○
Procurement	● ● ● ● ○
Indirect Costs	● ● ● ● ○
Reservations and Consolidation	● ● ● ● ○
Budgeting and Activities	● ● ● ● ○
Allocations	● ● ● ● ●
Risk Assessment (External)	● ○ ○ ○ ○
Subrecipient Monitoring	● ● ● ● ○
Local Educational Agency (LEA) Support and Guidance	● ● ● ● ○
Supplement, Not Supplant (SNS)	● ● ● ● ○
Maintenance of Effort (MOE)	● ● ● ● ○
Comparability	● ● ● ● ○
Equitable Services	● ○ ○ ○ ○

<sup>3</sup> The Department also monitors for “Charter School Authorization and Oversight”, but this topic is not applicable in Montana.

**TITLE I, PART A**

<b>Topic<sup>4</sup></b>	<b>Status</b>
Long-Term Goals and Measurements of Interim Progress	● ● ● ● ○
Indicators and Annual Meaningful Differentiation	● ○ ○ ○ ○
Identification of Schools	● ● ● ● ○
Support for School and LEA Improvement	● ○ ○ ○ ○
1003 School Improvement	● ● ● ● ○
Data Quality	● ● ● ● ○
State and Local Report Cards	● ○ ○ ○ ○
Schoolwide Programs	● ● ● ● ○
Educational Stability for Students in Foster Care	● ○ ○ ○ ○
Parent and Family Engagement	● ● ● ● ○
Consolidated and Program LEA Plans/Applications, Assurances, and Stakeholder Engagement	● ● ● ● ○
Other Title I Requirements <sup>5</sup>	● ● ● ● ○

**TITLE I, PART B**

<b>Topic</b>	<b>Status</b>
Grants for State Assessments	● ● ● ● ○

**TITLE II, PART A**

<b>Topic</b>	<b>Status</b>
Preparing, Training, and Recruiting High-Quality Teachers, Principals, or Other School Leaders	● ○ ○ ○ ○

**TITLE III, PART A**

<b>Topic</b>	<b>Status</b>
Language Instruction for English Learners and Immigrant Students	● ○ ○ ○ ○

<sup>4</sup> The Department also monitors for “Optional Public School Transfer” and “Direct Student Services”, but neither of these topics are applicable in Montana.

<sup>5</sup> This includes requirements related to school conditions, school transitions, committee of practitioners, and educator equity.

## SECTION III

# Action Required

## Financial Management & Cross Cutting

### AUDIT REQUIREMENTS

### REQUIREMENT SUMMARY

An SEA is responsible for both resolving the audit findings of subrecipients and for conducting audit follow-up activities and corrective actions for findings from the SEA's yearly Single Audit. An SEA is also required to ensure that subrecipients who meet the audit threshold are audited and the audits are reported according to established timelines.

Uniform Guidance 2 C.F.R. 200.331(d)(2), 2 C.F.R. 200.331(d)(3), 2 C.F.R. 200.331(f), 2 C.F.R. 200.511(a), 2 C.F.R. 200.512, and 2 C.F.R. 200.521(c)

### ISSUE

During the review, OPI stated that a formal management decision is not issued for subrecipient audit findings. OPI reviews subrecipient corrective actions and determines the sufficiency of those corrective actions informally via email rather than issuing a formal management decision letter.

2 C.F.R. 200.521(c) states that an SEA must be responsible for issuing management decisions for audit findings that relate to Federal awards it makes to subrecipients. Additionally, 2 C.F.R. 200.521(a) states that this management decision must include the following information:

- 1) Whether or not the audit finding is sustained and the reasons for the decision;
- 2) The expected auditee action to repay any disallowed costs, make financial adjustments, or other action;
- 3) A timetable for follow-up should be given if the auditee has not completed corrective action; and
- 4) A description of any appeal process available to the auditee.

Because OPI does not issue management decisions that include the information listed above, it is not in compliance with this requirement.

### REQUIRED ACTION

Within 30 business days of receiving this report, OPI must provide the Department with a template for a formal management decision letter it will issue for subrecipient audit findings. This template should include placeholders for the information required by 2 C.F.R. 200.521.



## RISK ASSESSMENTS (EXTERNAL)

## REQUIREMENT SUMMARY

In order to determine the appropriate method and level of subrecipient monitoring, an SEA shall evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward.

Uniform Guidance 2 C.F.R. 200.331(b)

## ISSUE

During the review, OPI stated that its risk assessment of LEAs is performed only on LEAs that have received an audit consistent with the requirements in 2 C.F.R. 200.500-521 (i.e., only those LEAs that expend more than \$750,000 in total Federal funds in a year). In Montana, many LEAs do not expend \$750,000 annually of Federal funds and are exempt from the Federal audit requirements.

2 C.F.R. 200.331(b) states that an SEA must evaluate *each* subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring which may include consideration of such factors as:

- 1) The subrecipient's prior experience with the same or similar subawards;
- 2) The results of previous audits, including whether or not the subrecipient receives an A-133 Single Audit in accordance with Subpart F—Audit Requirements of the Uniform Grant Guidance and the extent to which the same or similar subaward has been audited as a major program;
- 3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- 4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

Because OPI does not conduct risk assessments for each subrecipient, it is not in compliance with this requirement.

## REQUIRED ACTION

Within 30 business days of receiving this report, OPI must provide the Department with a revised process for evaluating risk for all of OPI's subrecipients consistent with the requirements in 2 C.F.R. 200.331(b).

## EQUITABLE SERVICES

## REQUIREMENT SUMMARY

An SEA shall ensure that LEAs use Federal funds to provide benefits to eligible children enrolled in private schools and to ensure that teachers and families of participating private school children participate on an equitable basis. Where applicable, the SEA shall ensure that it uses Federal funds for State-level activities to provide benefits to eligible students and educators.

ESEA §1117, §8501

ESEA Regulations 34 C.F.R. 299.6, 34 C.F.R. 299.9

Title I Regulations 34 C.F.R. 200.62-67

EDGAR 34 C.F.R. 76.661

## ISSUE

ESEA section 8501 requires States to provide equitable Title II, Part A services to ensure that teachers, principals and other school leaders in participating private schools participate on an equitable basis. This requirement applies not only to Title II, Part A funds that are allocated to LEAs, but also to the program funds that the SEA retains at the State level to carry out activities under ESEA section 2101(c)(4). OPI provided no evidence that it is providing equitable services with State-level Title II, Part A funds.

## REQUIRED ACTION

Within 30 business days, OPI must submit to the Department a plan and a timeline detailing how it will ensure full compliance with all requirements, including consultation, for the provision of services for eligible nonpublic school educators using State-level Title II, Part A funds.

## Title I, Part A

### INDICATORS AND ANNUAL MEANINGFUL DIFFERENTIATION

### REQUIREMENT SUMMARY

An SEA must measure, on an annual basis, all required indicators for all students and each subgroup of students. For purposes of the academic achievement indicator, the SEA must ensure that at least 95 percent of all students and each subgroup of students are assessed annually on the State's reading/language arts and mathematics assessments. A State must establish a system of annual, meaningful differentiation of all public schools in the State based on all indicators in the State's accountability system for all students and for each subgroup of students.

ESEA §§ 1111(b)(3), 1111(c)(4)(B), 1111(c)(4)(C), 1111(c)(4)(E), 1111(c)(4)(F), 8101(23), and 8101(25)

### ISSUE

OPI has not correctly calculated, on an annual basis, the following required indicators for all students and each subgroup of students:

- In measuring, calculating, and reporting on the Academic Achievement indicator, OPI has not adjusted the denominator to 95 percent of all students (or subgroups of students) when the number of students participating in the assessments is less than 95 percent, as required by ESEA section 1111(c)(4)(E)(ii).
- In calculating the four-year adjusted cohort graduation rate (ACGR) for the Graduation Rate indicator and identifying schools with a graduation rate below 67 percent for comprehensive support and improvement, OPI included students who received what OPI calls a “regular high school diploma” on the basis of achieving their Individualized Education Program (IEP) goals. For the purpose of calculating the ACGR, however, ESEA section 8101(43) defines a “regular high school diploma” as the standard high school diploma awarded to the preponderance of students in a State that is fully aligned with the State’s standards and does not include a general equivalency diploma, certificate of completion, certificate of attendance, or similar lesser credential. Under 34 C.F.R. § 300.320(a)(2), each child’s IEP must include a statement of measurable annual goals, including academic and functional goals, designed to: (1) meet the child’s needs that result from the child’s disability to enable the child to be involved in and make progress in the general education curriculum, and (2) meet each of the child’s other educational needs that result from the child’s disability. A diploma based on meeting a student’s IEP goals will not provide a sufficient basis for determining that the student has met a State’s standards for a regular high school diploma. Therefore, the ESEA does not permit OPI to include a student who attains his or her IEP goals as a graduate in the calculation of the ACGR, unless the State determines that the student met the State’s standards for a regular high school diploma.

**REQUIRED ACTION**

Within 30 days business days of receiving this report, OPI must:

- 1) Provide the Department with updated procedures for calculating the Academic Achievement indicator and ACGR consistent with the statutory requirements.
- 2) Notify the Department of its decision to use the corrected Academic Achievement indicator and ACGR procedures to identify schools for comprehensive support and improvement (CSI) that have not already been so identified, consistent with ESEA section 1111(c)(4)(D), and schools for additional targeted support and improvement (ATSI) that have not been so identified, consistent with ESEA section 1111(d)(2)(C)-(D) either:
  - Within 60 days of this report using currently available data (generally, data from the 2018-2019 school year) or
  - In the fall of 2020 based on updated data available at that time (generally, data from the 2019-2020 school year).
- 3) Provide evidence that it identified schools for CSI and ATSI consistent with the statutory requirements within 30 days of making such identification.

## SUPPORT FOR SCHOOL AND LEA IMPROVEMENT

### REQUIREMENT SUMMARY

Upon receiving notification from the State, an LEA shall, for each school identified by the State and in partnership with stakeholders, develop and implement a comprehensive support and improvement plan. The SEA shall notify an LEA of any school served by the LEA that is identified for targeted support and improvement, and the LEA shall notify such identified schools.

An SEA must establish statewide exit criteria for schools identified for comprehensive support and improvement and additional targeted support and improvement. Periodically, an SEA must review resource allocation to support school improvement in each LEA serving a significant number or a significant percentage of schools identified for Comprehensive or Targeted support and improvement and must provide technical assistance to each LEA serving a significant number of schools identified for Comprehensive or Targeted support and improvement.

ESEA §§ 1003(b)-(f), 1111(d)(1)-(2), and 1111(d)(3)(A)

### ISSUE

In accordance with ESEA section 1111(d)(3)(A)(i)(I), exit criteria for all schools identified for comprehensive support and improvement (CSI), including small schools, must ensure continued progress to improve student academic achievement and school success in the State. OPI described an annual process for the identification and exit of small schools identified for CSI, but OPI could not demonstrate that small schools must demonstrate continued progress to improve student academic achievement and school success in order to exit CSI status.

In addition, OPI's exit procedure is unclear for schools identified for additional targeted support and improvement (ATSI) before determining whether they should become CSI schools. OPI includes a review of whether the ATSI school is making progress meeting its growth goals and performing at a level higher than the lowest-performing 5 percent of Title I schools (as determined by its system of annual meaningful differentiation). However, it is not clear whether OPI considers the school's overall growth or the growth of the subgroup(s) that led to the school's identification when determining whether the ATSI school can exit school improvement; therefore, it is not clear that the exit criteria ensure continued progress to improve student academic achievement and school success (e.g., whether the exit criteria improve student outcomes for the subgroup(s) that led to the school's identification).

### REQUIRED ACTION

Within 30 days business days of receiving this report, OPI must provide a plan and timeline detailing how it will determine CSI exit criteria for small schools that ensure that the schools demonstrate

continued progress to improve student academic achievement and school success in order to exit CSI status.

**RECOMMENDATION**

The Department recommends that OPI amend its consolidated State plan to specify how it will determine the school made sufficient growth for the ATSI school to exit school improvement (i.e., whether it will consider growth of all students in the school or certain subgroups of students when determining if a school is eligible to exit ATSI status).

## STATE AND LOCAL REPORT CARDS

## REQUIREMENT SUMMARY

An SEA and its LEAs are required to prepare and annually disseminate report cards that include all required elements to the public in a timely manner.

ESEA §§ 1003(i), 1111(g)(2)(N), and 1111(h)  
Title I Regulations 34 C.F.R. §200.11

## ISSUE

ESEA section 1111(h) requires that an SEA and its LEAs prepare and disseminate annual report cards in a timely manner and to ensure they include all required elements outlined in the statute. In Montana, OPI prepares and disseminates the SEA and LEA report cards. The Department reviewed the SEA report card and multiple LEA report cards, including three that OPI shared with the Department and two for the LEAs the Department included in the monitoring review.

The SEA and LEA report cards did not contain the following required elements:

- Information on student achievement on all State assessments for children without disabilities and non-economically disadvantaged children (ESEA section 1111(h)(1)(C)(ii));
- Percentage of students assessed and not assessed for children without disabilities and non-economically disadvantaged children (ESEA section 1111(h)(1)(C)(vii));
- Specific weight of the indicators to meaningfully differentiate schools (ESEA section 1111(h)(1)(C)(i)(IV)(aa));
- National Assessment of Educational Progress (NAEP) participation rates for children with disabilities and English learners (ESEA section 1111(h)(1)(C)(xii) and (h)(2)(C) and 34 CFR § 200.11(c)(2)); and
- Exit criteria established by the State for schools identified for comprehensive support and improvement and additional targeted support and improvement (ESEA section 1111(h)(1)(C)(i)(VI)).

In addition to the missing elements noted above for SEA and LEA report cards, the LEA report cards do not contain the statewide academic achievement results on NAEP. The LEA report cards must include the same NAEP data as required in the SEA report cards, except that this information does not need to be disaggregated in the same manner (ESEA section 1111(h)(2)(C)).

Consistent with the issue noted in the Indicators and Annual Meaningful Differentiation section, the SEA and LEA report cards contain the four-year adjusted cohort graduation rates (ACGR), which were calculated using procedures that are not permitted under ESEA section 8101(43).

Finally, ESEA section 1111(i)(1) requires that information disseminated in the SEA and LEA report cards protects the privacy of individuals consistent with section 444 of the General Education Provisions Act (20 U.S.C. 1232g, commonly known as the “Family Educational Rights and Privacy Act of 1974”). The SEA and LEA report cards contain a link to two webpages that provide an overview of the SEA’s methodology and descriptions of schools identified for comprehensive support and improvement and

additional targeted support and improvement. These webpages subsequently link to two lists of schools, one with schools identified in 2019 for comprehensive support and improvement and one with schools identified in 2019 for additional targeted support and improvement. In the list of schools identified for additional targeted support and improvement, the SEA provides a “reason for targeted designation.” The Department found that eight of the schools’ listed reasons for targeted designation include personally identifiable information about individual students (e.g., “The school was identified as Targeted for Special Education students having low proficiency rates on the statewide assessments in reading at 0% and mathematics at 0%.”).

## **REQUIRED ACTIONS**

Within 30 business days of receiving this report:

- Provide a plan and timeline for updating the 2018-2019 school year SEA and LEA report cards to include all required elements and the corrected ACGR element (e.g., providing links to published report cards or pdf versions of the expanded report cards).
- Provide evidence that the SEA and LEA report cards, specifically the list of schools identified for additional targeted support and improvement, do not reveal personally identifiable information about individual students.



## EDUCATIONAL STABILITY FOR STUDENTS IN FOSTER CARE

### REQUIREMENT SUMMARY

An SEA must collaborate with the State agency responsible for administering the State plans under parts B and E of title IV of the Social Security Act (42 U.S.C. 621 et seq. and 670 et seq.) to ensure the educational stability of children in foster care and ensure LEAs receiving a Title I, Part A subgrant collaborates with the State or local child welfare agency to develop and implement procedures governing transportation for children in foster care.

ESEA §§ 1111(g)(1)(E) and 1112(c)(5)(A)-(B)

### ISSUE

ESEA section 1111(g)(1)(E) requires an SEA, in collaboration with the State child welfare agency, to ensure that, when a student enters the foster care system or experiences a change in foster care placement, the student will remain in his or her school of origin unless a determination is made that it would be in the student's best interest to enroll in a new school. Further, ESEA section 1112(c)(5)(B) requires each LEA receiving a Title I, Part A subgrant to ensure that it develops and implements, in collaboration with the relevant local child welfare agency, procedures for providing, arranging, and funding transportation to maintain students in foster care in their school of origin when in their best interest.

Under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the SEA is responsible for monitoring subrecipient activities as necessary to ensure that the subaward is used in compliance with Federal statutes and regulations. (*See* 2 C.F.R. § 200.331(d)). OPI provided evidence that it requires each LEA receiving a Title I, Part A subgrant to provide an assurance that it will collaborate with the local child welfare agency to develop written transportation procedures. OPI does not, however, monitor LEAs to ensure they have a written policy; the State's monitoring protocol does not include this requirement and neither LEA that met with the Department during our monitoring activities has established written transportation procedures.

### REQUIRED ACTION

Within 30 business days of receiving this report, OPI must submit to the Department a plan and timeline detailing how it will ensure that LEAs receiving Title I, Part A subgrants have written transportation procedures to govern how transportation will be provided, arranged, and funded for students in foster care.

### RECOMMENDATION

OPI relies on a third-party provider to develop resources for LEAs to use when implementing the educational stability provisions for students in foster care. For example, the provider developed forms for facilitating determinations about student placement, documenting decisions related to student transportation, and communicating the requirements of the educational stability provisions to guardians.

OPI relies on the provider to both disseminate these resources and provide guidance to Montana practitioners on the use of the resources.

To ensure that the third-party provider's resources are accurate and accessible to Montana's LEAs, the Department recommends that OPI review the provider's resources to ensure that they clearly and closely align with the Title I, Part A educational stability requirements. Further, as OPI develops future guidance documents for its stakeholders, the Department recommends that OPI cross-reference the provider resources within the guidance documents (and similarly cross-reference the guidance documents within the provider resources).

## Title II, Part A

### PREPARING, TRAINING, AND RECRUITING HIGH-QUALITY TEACHERS, PRINCIPALS, OR OTHER SCHOOL LEADERS

#### REQUIREMENT SUMMARY

SEAs and LEAs may use Title II, Part A funds for a variety of allowable activities, including evidence-based professional development, recruitment and retention, and class size reduction. Activities must meet the purpose of Title II, Part A, which is to enhance instruction in order to improve student achievement. In carrying out activities, SEAs and LEAs must use data and engage in ongoing consultation with key stakeholders to continually improve the implementation of funded activities. LEAs must also prioritize Title II, Part A funds to schools that are implementing comprehensive support and improvement activities and targeted support and improvement activities and that have the highest percentage of children in poverty and children who are neglected or delinquent.

ESEA §§ 2101(c)(4)(B), 2101(d)(2)(D), 2101(d)(2)(K), 2102(b)(2)(C), 2102(b)(2)(D), 2102(b)(3), 2103(b)(3), and 8101(42)

#### ISSUE

ESEA section 2103(b)(3)(D) permits LEAs to use Title II, Part A funds to reduce class size by recruiting and hiring effective teachers. This requirement presumes that LEAs will not use Title II, Part A funds to hire or pay teachers for the purpose of class size reduction unless the LEA has previously determined that the class size reduction teachers are effective. While OPI indicates that it uses the State's school accreditation process to ensure that teachers paid with Title II, Part A funds are effective, this method does not identify ineffective teachers until after the LEA has expended the Title II, Part A funds for the purpose of class size reduction. As a result, LEAs in Montana are at risk of using program funds to pay ineffective class size reduction teachers, which would be an unallowable Title II, Part A expenditure. OPI provided no evidence to show that it ensures that teachers recruited or paid with Title II, Part A funds for purposes of class size reduction have been determined to be effective before program funds are used.

#### REQUIRED ACTION

Within 30 business days, OPI must submit to the Department a plan and a timeline for how the State will ensure that LEAs do not use Title II, Part A funds to hire or pay teachers for the purpose of class size reduction unless the LEA has previously determined that the class size reduction teachers are effective, as required by ESEA section 2103(b)(3)(D).

#### RECOMMENDATION

OPI could address this requirement by including as part of the LEA application for funds an assurance that any teachers that an LEA proposes to hire or pay for purposes of class size reduction have previously been determined to be effective. OPI could use its established accreditation process as a

means to monitor such an assurance, but OPI may also wish to include an additional check on this requirement as part of its subgrantee monitoring procedures.

## Title III, Part A

### LANGUAGE INSTRUCTION FOR ENGLISH LEARNERS AND IMMIGRANT STUDENTS

#### REQUIREMENT SUMMARY

In carrying out activities with Title III funds, the eligible entity must carry out three required activities, as described in ESEA section 3115(c): (1) provide an effective language instruction educational program (LIEP), which must be supplemental; (2) provide effective professional development; and (3) provide and implement other effective activities and strategies that enhance or supplement LIEPs, which must include parent, family, and community engagement activities. After timely and meaningful consultation with LEAs representing the geographic diversity of the State, an SEA must establish and implement standardized statewide entrance and exit procedures for ELs.

ESEA §§ 1112 (e) (3), 3113 (b) (2), 3114 (d), and 3115 (c) - (e)

#### ISSUE

Section 3113(b)(2) of the ESEA requires States to establish and implement standardized statewide entrance and exit procedures. OPI established, in its consolidated State plan, that it requires a minimum score of 5.0 on the WIDA ACCESS for ELs and a score of 4.0 or better on literacy as its exit requirement. The *Montana Guidance for English Learners* document provided to LEAs by OPI stipulates LEAs have discretion in choosing multiple measures for deciding when to exit a student from English learner (EL) status. The guidance is inconsistent with Montana's consolidated State plan and does not demonstrate that exit requirements are applied consistently statewide. During the onsite review and subsequent to the review, OPI indicated that it was in the process of updating the EL guidance to reflect its new process. In November 2019, OPI submitted a consolidated State plan amendment to the Department for its entrance and exit criteria for ELs.

#### ACTION REQUIRED

Within 30 business days of approval of its consolidated State plan amendment for entrance and exit criteria for ELs, OPI must provide the Department with evidence it has policies and procedures in place to implement the entrance and exit procedures in a standardized manner (which could include the updated EL guidance).

## SECTION IV

# Met Requirements with Recommendation

## Financial Management & Cross Cutting

### CROSS CUTTING RECOMMENDATION

#### ISSUE

During the review, OPI referenced its Montana State and Federal Grants Handbook, which OPI created to “to help subgrantees understand and comply with grant management requirements by explaining the basic policies and processes required for all covered grant programs administered by the OPI.”<sup>6</sup> The handbook’s last revision was March 2012 and thus does not reflect revisions to the ESEA, as amended by the Every Student Succeeds Act (ESSA) in December 2015, or reflect the implementation of the Uniform Grant Guidance. With the exception of the actions required in this report, the Department found that OPI was implementing statutory and regulatory requirements consistent with the requirements in ESEA, as amended by the ESSA, and the Uniform Grant Guidance. However, the Department found that parts of OPI’s handbook were outdated. Examples include:

- The description of OPI’s procedures to make MOE determinations for LEAs did not indicate that OPI only reduces an LEA’s ESEA allocations under covered programs due to a failure to maintain effort if the LEA also did not maintain effort at least once in the five immediate preceding fiscal years;
- The Federal expenditure levels to determine whether an LEA is exempt from a Federal audit; and
- Other changes to uniform administrative requirements, cost principles, and audit requirements for Federal awards when the Department eliminated 34 CFR 80 and adopted the Uniform Grant Guidance.<sup>7</sup>

The lack of updated documentation creates a risk that procedures could be performed incorrectly either at OPI or by an LEA.

#### RECOMMENDATION

The Department recommends that OPI update its documentation to reflect its current procedures, which are consistent with current ESEA and Uniform Grant Guidance requirements.

<sup>6</sup> See page 1 of the handbook at <https://opi.mt.gov/Portals/182/Page%20Files/E-Grants/Instructions/MTStateFederalGrantsHandbook.pdf>

<sup>7</sup> See the Department’s crosswalk comparing 34 CFR 80 and the Uniform Grant Guidance available at <https://www2.ed.gov/policy/fund/guid/uniform-guidance/crosswalk34.pdf>

## PERSONNEL

## REQUIREMENT SUMMARY

An SEA shall ensure that charges to Federal awards for salaries are based on records that accurately reflect the work performed. These records must be supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated.

Uniform Guidance 2 C.F.R. §200.430

## ISSUE

OPI relies on its Statewide Accounting, Budgeting, and Human Resources System (SABHRS) to track employee time and effort. When employees submit their timesheet to their supervisor for review and approval, SABHRS records the date the timesheet was submitted. During the review, OPI stated that employee time and effort is reviewed by its staff on a regular basis. However, no policies or procedures are maintained that would require a periodic reconciliation process to ensure the accuracy and reliability of OPI's time and effort system. A lack of documentation for this process could result in an inconsistent and unreliable review process, which could increase the risk of inaccurate time and effort reporting.

## RECOMMENDATION

The Department recommends that OPI create written procedures for the periodic review of employee time and effort. Maintaining written procedures that outline OPI's reconciliation process will help ensure the time and effort review process occurs on a consistent basis which will protect against inaccurate time and effort charges.

## SECTION V

# Met Requirements with Commendation

## Financial Management & Cross Cutting

### ALLOCATIONS

### REQUIREMENT SUMMARY

SEAs shall ensure that, when subawarding funds to LEAs or other subrecipients, they make subawards in accordance with applicable statutory requirements (including requirements related to the process for subawarding funds and the amounts to be subawarded to individual subrecipients).

ESEA §§ 1124, 1124A, 1125, 1125A, 1126(b), 2101, 2102, 3111, 3114, and 3115  
Title I Regulations 34 C.F.R. §200.72-200.75 and §200.100

### COMMENDATION

The Department commends OPI for having three staff members work on within-State allocations for Titles I, II, and III. The use of triple verification is a prudent way to avoid errors because it is unlikely that three people, working independently, will make the same error. It is especially commendable for a smaller SEA, such as OPI, that has smaller maximum administrative reservations under Titles I, II, and III than many other States, to devote this level of staffing to calculating allocations.